

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

February 24, 2022

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Laura Pasternak	Mark Harrison
Chuck Martin	Anthony Williams
Kenny Oreagba	Stanley Tucker
Clemis Kaikis	Mike Howard
Gina Ramsey	Robin Harris
Sharon Pinder	Latoya Haynes

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

February 10, 2022

REPORT

State Small Business Credit Initiative ("SSBCI")

The closed session of February 10, 2022, meeting was summarized. The Authority Board meeting was attended by Les Hall, Chuck Martin, Laura Pasternak, Gina Ramsey, Kenny Oreagba, and Mara Sierocinski. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the modification request of Kelley's Trucking, Co. and the new request of Securemedy, Inc. Both requests were approved.

1. Kelley's Trucking Co. – Rescind previously approved \$400,000 contract financing; approved \$100,000 EPIP term loan
2. Securemedy, Incorporated - \$1,500,000 contract financing line of credit

MINUTES

February 10, 2022

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

REPORT

State Small Business Credit Initiative ("SSBCI")

Presenter: Randy Croxton

Comments: President Biden's American Rescue Plan Act, signed in March 2021, provides \$10 Billion for the revival of the State Small Business Credit Initiative ("SSBCI") under the U.S. Department of Treasury ("Treasury"). Each state and territory have been allocated funding by Treasury based on population and other factors. Maryland was allocated nearly \$200 Million. Each state must apply to be awarded its allocation to Treasury. Maryland was the first state to submit its complete application on January 12, 2022. As part of its application, Maryland allocated \$45 Million to the MSBDFA Equity Participation Investment Program (EPIP). The SSBCI funds have a mandate to focus on providing assistance to support businesses owned by Socially and Economically Disadvantaged Individuals ("SEDI") and to Very Small Businesses ("VSB"), less than 10 employees. The SSBCI program will run for 10 years. When approved for participation in the SSBCI, Maryland will receive its allocation of capital funds in three disbursements as follows: 33 percent, 33 percent, and 34 percent. The transfer of the first 33 percent will occur promptly following the receipt of the Allocation Agreement. As a precondition to receipt of the second and third disbursements, the state must have expended or obligated 80 percent or more of the prior disbursement of allocated funds. The State has 3 years to disburse each tranche, or it would be at risk of losing future tranches and/or returning any unused

funds. The SSBCI requires each state to make best efforts to achieve a matching private funds goal of \$10 in private capital for every \$1 in SSBCI funds. It is mandatory to have at least \$1 in private capital funds for every \$1 in SSBCI funds.

Discussion:

The following was discussed:

1. Anticipation of the first tranche
2. COMMERCE's Application Portal as a mechanism to review and approve financing requests
3. Timing of board packages being mailed to the Authority Board members

Action Taken:

No action required at this time. Updates will be provided as they become available.

NOTE:

1. A member of the public, Ms. Pamela Bey joined the meeting. Mr. Hall informed Ms. Bey that her ability to observe the activities of the meeting is limited to the Open Session. After the Open Session has concluded, she must exit the meeting. The access information for the Open Session is posted on the Department's website. Any Closed Session of a meeting includes discussion of confidential commercial or financial information that we are not able to disclose to the public.
2. Mr. Kaikis informed the Authority of a Baltimore Times article regarding Mr. Stanley Tucker and the CIAA.
3. Ms. Pinder informed the meeting of her organization's (CRMSDC) participation in an MMG sponsored Webinar hosted by Mark Harrison on February 23, 2022, and Stanley Tucker's participation on her MBDA Business Center Webinar in January.

The Open Meeting adjourned at 1:40 p.m.

APPROVED:

Celester A. Hall

Celester A. Hall
Chairman

DATE:

03-11-2022

Signature: Celester A. Hall -COMMERCE-
Celester A. Hall -COMMERCE- (Mar 11, 2022 14:00 EST)

Email: les.hall@maryland.gov






Board Minutes 2.24.22

Final Audit Report

2022-03-11

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